

# KENTUCKY

## TEACHERS' RETIREMENT SYSTEM

ACTIVE MEMBER  
EDITION



April/May  
2007

### 2007 Session of the Kentucky General Assembly

At its December 2006 meeting, the Board approved a package of legislative proposals that were mostly housekeeping in nature and that did not change the current practice of the retirement system, but that also contained the substantive provisions of extending the 100-day program for another three years, allowing un-purchased out-of-state K-12 public school service to count toward the thirty years required to return to work at 75% of last annual compensation, providing a minimum Daily Wage Threshold, allowing university employees a one-time opportunity to switch from the optional retirement plan (ORP) to KTRS and purchase prior service, and providing an alternate payment schedule for universities to pay the liability that was created when the ORP was initiated.

These legislative proposals were introduced into the House as HB 461. Having been assigned to the Education Committee on February 16th, HB 461 passed out of the House by a vote of 99-0 on February 27th. On March 2nd, HB 461 was assigned to the Senate's

Appropriations and Revenue Committee. It was pulled from that committee and given two readings on the floor of the Senate on March 5th and 6th, but never received the required third reading and final vote. Therefore, the provisions of HB 461 did not become law.

Another bill introduced during the 2007 Session, HB 225, retroactively requires the state to pick up the employer contribution for certified staff called into active military duty. Originally, only those persons who immediately returned to the classroom from active military duty on or after July 12, 2006 were eligible for the state to pay the employer contribution. Under HB 225, which has been approved by both chambers of the General Assembly, certified staff who immediately returned to the classroom from active military duty on or after January 1, 2003 would be eligible for this benefit. This bill will not be effective until June 26, 2007, so no military purchases or account readjustments may be made under

*continued on page 2 ...*

### Upcoming KTRS Board of Trustees Election

The Teachers' Retirement System is governed by a nine member Board of Trustees. Two trustees are ex-officio members, the Chief State School Officer and the State Treasurer. The remaining seven trustees are elected by the retired and active membership. Elections are held in May of each year to fill either one or two positions on the Board. Positions are held for four-year terms and the elections are staggered. This May, the membership will elect an active member trustee and a lay trustee.



The candidates for the active member position are Ruth Ann Sweazy, the incumbent, from Taylorsville, and Michael H. Ross, from Maysville.

The candidates for the lay trustee position are Orson Oliver, from Louisville, and Ronald L. Sanders, the incumbent, from Hodgenville.

In early May, each retired and active KTRS member will receive a ballot with

*continued on page 2 ...*

#### **\*\* Inside This Issue \*\***

2007 Session of the Kentucky General Assembly .....	1
Upcoming KTRS Board of Trustees Election .....	1
100-Day Program Expires June 30, 2007 .....	2
New Filing Deadlines for June 1st Retirements .....	2
Blue Ribbon Task Force on State Retirement Systems .....	3
Reciprocity Member Alert .....	3
Mid-Career Planning Workshops & Pre-Retirement Seminars .....	3
Important Information for Year 2007 Retirees .....	4
Timely Reminders to Deadlines for Purchasing 2006/07 Service Credit .....	4
Get to Know Your Retirement System with a KTRS Orientation .....	4

this new legislation until after that date.

HB 418, a bill that originally extended a window of retirement benefits that is set to expire in January of 2009 for participants in Kentucky Retirement Systems (KRS), was amended by a Senate Committee Substitute to change KRS for new hires into a hybrid defined benefit group savings plan / defined contribution individual savings account. KTRS had some questions whether the Senate Committee Substitute would allow KTRS members to use KTRS service to qualify for retirement in KRS. However, the House declined to accept the Senate Committee Substitute and this bill did not become law.

HB 331 would have replaced the KTRS defined benefit group retirement plan with a defined contribution individual savings account for new hires and would further have required new teachers to begin participating in Social Security. HB 25 would have prohibited investment by any state-administered retirement plan in a company that has a nexus to the Sudan. Neither of these two bills moved after initially being assigned to committee. Finally, there were several resolutions introduced in the House to urge Congress to eliminate Social Security's Windfall Elimination Provision and the Government Pension Offset, but none of these advanced beyond that chamber.

The General Assembly adjourned on March 27th and will not convene again until January of 2008, unless the Governor calls a Special Session of that body in the interim. A Special Session may consider only those matters that are placed on its agenda by the Governor.

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***Upcoming KTRS Board of Trustees Election  
continued from page 1 ...***

information about the candidates. Retired members will receive a yellow ballot and active members will receive a blue ballot. Please select your candidates, tear along the perforation, and drop the ballot in the mail. Postage is prepaid. You may return your ballot any time during May, but no later than May 31, 2007. The Chief State School Officer is responsible for counting the ballots.

All members are urged to review the qualifications of each candidate and cast their ballot for the candidate in each category that they feel has the best qualifications to be an effective member of the Board of Trustees. The results of the election will be announced in the next KTRS newsletter.

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## **100-Day Program Expires June 30, 2007**

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Those retirees who are currently in the 100-Day Program will now be subject to their Daily Wage Threshold (DWT) when returning to work in the 2007-08 school year. A letter with your DWT will be mailed to you. A copy of this letter should be provided to your employer.

All 100-Day Program participants will automatically be rolled over to the DWT program. If you decide to participate in any other return to work program (i.e. Critical Shortage or Full-time Program), additional paperwork will need to be completed by your employer.

Any KTRS member who has questions about his/her re-employment options should always contact KTRS prior to accepting employment in another position. You may contact KTRS at 1-800-618-1687.

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## **New Filing Deadline for Those Wishing to Retire June 1<sup>st</sup>**

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As reported in the last newsletter, effective June 2007, retirement applications requesting a June 1st retirement date must be postmarked no later than May 1st. June 1st is the second most requested retirement date and is becoming increasingly popular as recent warm winters have permitted classroom teachers to conclude their 185-day contract by the end of May. This growing number of retirement applications requesting a June 1st retirement date is making it increasingly difficult for KTRS counselors to process retirement applications and ensure timely payment of retirement allowances. Therefore, if you are anticipating a June 1st retirement date it is very important that you plan to file your retirement application with KTRS no later than May 1st of the year in which you plan to retire.

Filing deadlines for the other eleven months of the year remain the same. Retirement applications requesting a July 1st retirement date must still be postmarked no later than June 1st. For the remaining ten months of the year, under current regulations, members may file their retirement applications on or before the first day of the month in which they wish to retire.

## Blue Ribbon Task Force on State Retirement Systems

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The Governor's 24-member Blue Ribbon Task Force that has been created to study KTRS and Kentucky Retirement Systems (KRS) had its first meeting on April 16, 2007. This meeting, as all Task Force meetings will be, was open to the public and was well-attended by an apparently wide range of interested parties. The Governor provided a brief opening address during which he stated that no changes would be made to retirement benefits for existing retirees and active employees.



This first meeting was for the purpose of approving Requests for Proposals to be sent out to choose a law firm, a retirement benefits specialist and an actuary to work with the Task Force. Also during the first meeting, Task Force members were asked to rank which of three smaller work groups they would like to serve on. These smaller work groups will also meet in public, and on a more frequent basis than the Task Force. They will study the respective subjects of pension benefits, medical insurance benefits and how to maintain the obligations for current retirees and active employees. The work group assignments will be announced some time before the second meeting of the Task Force.

The second meeting of the Task Force is scheduled for May 14, 2007. Gary Harbin, Executive Secretary of KTRS, and Bill Hanes, Executive Director of KRS, have been asked to make presentations at this meeting on the two respective retirement systems.

## Reciprocity Member Alert

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Any member that has service in both Teachers' Retirement and one of the state administered retirement systems must file a retirement application with a coordinating retirement date if choosing a reciprocity retirement. You must complete and file paper work (applications and insurance forms) for both retirement systems before benefits begin from any system. Your insurance will not start until one month after you are processed in both payroll systems. A reciprocity member is a member who has established membership and maintained active retirement accounts in more than one of the state retirement systems. The law allows members to determine their eligibility for retirement benefits by combining service credit in all systems. Each system will calculate your annuity separately. If you have any questions concerning a reciprocity retirement, please contact the KTRS office.

### Mid-Career Planning Workshops

**Registration 9:00 A.M.**

**Workshop 9:05 A.M. (Local Time)**

**June 12, 2007**

**Barren River SRP**

Tartan Room  
1149 State Park Rd  
Lucas, KY

**June 19, 2007**

**Natural Bridge SRP**

Lodge Meeting Room  
2135 Natural Bridge Road  
Slade, KY

***Please visit [www.ktrs.ky.gov](http://www.ktrs.ky.gov)  
for all workshop & seminar  
REGISTRATION.***

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### Pre-Retirement Seminars

**Registration 9:00 – 9:15 A.M.**

**Seminar 9:15 A.M. – 1:00 P.M. (Local Time)**

**July 17, 2007**

**Kentucky Dam Village SRP**

In the Convention Center  
Exit 27 off I-24  
on US 641 & US 62  
Gilbertsville, KY

**July 18, 2007**

**Pennyrile Forest SRP**

In the Multi-Purpose Facility  
20781 Pennyrile Lodge RD  
Dawson Springs, KY

**July 19, 2007**

**Rough River SRP**

Lodge Lower Level  
450 Lodge Road  
Falls of Rough, KY

***Please visit [www.ktrs.ky.gov](http://www.ktrs.ky.gov) for  
all workshop & seminar  
REGISTRATION.***

## Planning to RETIRE in 2007?

***Know the facts!***

**[www.ktrs.ky.gov](http://www.ktrs.ky.gov)**

**> The KTRS Newsroom ...  
(on the Home page)**

**Click on  
"Do you plan to RETIRE  
in 2007--- See IMPORTANT  
INFORMATION"**

**Be informed about ...**

- **"Important Information for  
Year 2007 Retirees"**
- **What you will need for a  
"Successful Retirement  
Experience"**
- **Retirees returning to work:  
"Break-in-Service  
Guidelines-Questions &  
Answers" ... and much more!!**

## Timely Reminders to Deadlines for Purchasing 2006/07 Service Credit

Members who had unpaid contract days in the 2006/2007 fiscal year should contact KTRS about their eligibility to obtain full service and/or salary credit. The deadline for purchasing this type of credit is December 31, 2007.\*

*(Members granted leaves of absence in 2005/2006 should contact KTRS about recovering this credit. The deadline for this type of purchase will expire June 30, 2007. \*)*

Members granted leaves of absence in 2006/2007 should contact KTRS about recovering this credit. The deadline for purchasing unpaid days covered by a leave in 2006/2007 is June 30, 2008.

\* Appropriate forms can be obtained at [www.ktrs.ky.gov](http://www.ktrs.ky.gov) or from your employer.

## Get to Know Your Retirement System with a KTRS Orientation

"If I had only known that when I first started teaching," is a common comment after a KTRS Orientation. Knowing this valuable information on the front end of one's career eliminates regrets when a member is nearing retirement.

Be informed about your retirement system! Ask your school or district office to contact Sandra Bush at KTRS at 800-618-1687, or e-mail [sandra.bush@ky.gov](mailto:sandra.bush@ky.gov) for more information on a KTRS Orientation presentation. (see [www.ktrs.ky.gov](http://www.ktrs.ky.gov) for more information)

